
Government of the District of Columbia



Department of Consumer and Regulatory Affairs

Testimony of

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***PROPOSED FISCAL YEAR 2012 BUDGET
OVERSIGHT HEARING***

Council of the District of Columbia
Committee on Public Services and Consumer Affairs
Yvette Alexander, Chair

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Council Chamber
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, D.C. 20004
1:00 P.M.

Good afternoon, Chairperson Alexander, members, and staff of the Committee on Public Services and Consumer Affairs. I am Nick Majett, Acting Director of the Department of Consumer and Regulatory Affairs. Five weeks ago, I sat here and testified on DCRA's accomplishments during Fiscal Year 2011. Four weeks ago, I testified on my nomination to be DCRA director. Today, I'm here to testify on the agency's goals for Fiscal Year 2012.

DCRA's mission is to protect the health, safety, economic interests, and quality of life of residents, businesses, and visitors in the District of Columbia. We do this by issuing business licenses and building permits; conducting inspections; enforcing building, housing, and safety codes; and regulating land use and development.

Our agency's broad scope of authority means we have a direct and daily impact on the lives and livelihood of hundreds of thousands of residents, commuters, and visitors. This makes us highly cognizant of the effect our regulations, procedures, and decisions, particularly during the current economic times.

DCRA's proposed Fiscal Year 2012 budget shows that we, like everyone else in this challenging economic climate, continue to streamline our processes so as to better focus on our core mission. As we developed our budget proposal, we conducted a careful analysis of what our core mission is and how we can do it better. This has allowed us to closely examine our operations so as to better align them with our core mission.

We hope you will agree that today's DCRA is a much improved and responsive agency from just a few years ago. While I and each of my staff recognize we can further improve the agency, I truly believe we have made very significant progress. Before getting into the numbers, I'd like to briefly discuss some of our real progress and our goals for the new fiscal year.

A. Business Licensing

We continue to review our business license regulations in order to simplify the process for applicants. As the economy recovers, we want to ensure that District businesses aren't hampered by outdated or unjustifiably burdensome regulatory requirements. Our goal is to reduce the time required to review license applications, with the aim of converting more of our license categories into same-day issuances.

Currently, we are looking at ways to simplify the process for those license categories requiring a building inspection before the issuance of a license. Our goal is to make it faster and easier for customers to be in compliance with the licensing laws. Our first step is to allow owners of one- and two-family housing rentals to “self-certify” through a detailed checklist that their rental units meet existing housing and building codes. We would then be able to immediately issue the owners their rental housing business license, conditioned upon a subsequent successful inspection. We’re also looking at a similar “self-certification” program for existing restaurants to renew their business licenses.

Last month, we did a “soft launch” opening of our Small Business Resource Center. The Center will provide training and consultation services to customers seeking to navigate the District’s regulatory environment on licensing, corporate registration, and permitting. To make the Center a success, we’ve partnered with the D.C. Small Business Development Center at the D.C. Chamber of Commerce Foundation, the D.C. Women’s Business Center, and the Latino Economic Development Corporation. Business entrepreneurs can visit the Center’s website at dcra.ecenterdirect.com and follow it on Twitter @dcsmallbizctr.

We also continue to put more license application and renewal functions online so that business owners can complete their paperwork without having to come in person to our Licensing Center. The less time business owners spend dealing with DCRA, the more time they can spend running their businesses.

B. Inspections

One of our critical missions is ensuring the safety of residential buildings and rental units. We will continue to focus significant time and resources on the inspections process, outreach to housing and tenant advocates, and modernizing our inspections division.

I’m happy to report that our proactive housing inspections program has resulted in the inspection of 1,750 rental units in 565 buildings in every ward. By proactively inspecting rental properties, we are able to identify and rectify any housing code violations before they become a danger to the health or safety of tenants. We continue to receive very positive feedback on the program from both tenant advocates and rental housing providers.

We currently have numerous vacancies throughout our Inspections Department. We are working with the Office of the City Administrator to obtain approval to fill

vacancies in the Inspections Department. Once approvals take place we will look to expeditiously fill vacancies.

C. Building Permits

Located on site at our Permit Center are five agencies involved in the building permit review process. We hope to have more agencies' personnel located on site to so as to speed up the permit review process.

As I've mentioned in previous testimony, we have invested significant resources in the Project Dox system. This electronic permit submittal and review system will greatly assist both plan designers and plan reviewers and will put the District at the technological forefront of surrounding jurisdictions.

As the economy rebounds and construction projects increase, we will be well-positioned to coordinate the review process more effectively so that rather than standing in line, builders can do what they do best: construct buildings to bring in new residents, businesses, and visitors and helping revitalize our emerging commercial corridors.

We are striving to change the traditional bureaucratic mindset from one that sets up hurdles for businesses to one that understands the importance of assisting entrepreneurs in getting their businesses up and running.

D. Enforcement

Our enforcement division is essential to our regulatory role. Yet we are also very mindful that we must balance our role as the regulator with our role in economic development. Although we seek to ensure that all businesses are licensed and operating according to the law, rather than immediately issue stiff fines which could bankrupt a business, we generally seek to bring businesses into voluntary compliance.

In the past year, we have strengthened our internal procedures to significantly reduce the numbers of citations that are rejected by the Office of Administrative Hearings. We are also working on an expedited citations system for dealing with summertime nuisance issues on private properties, such as overgrown grass and weeds.

However, we continue to have fines significantly reduced or altogether eliminated by administrative law judges at OAH. We also encounter an appeals process that regularly takes some six months to get a final adjudication of a citation.

E. Fiscal Year 2012 Budget Proposal

DCRA's proposed FY2012 budget is \$25,455,922, an increase of \$741,004 from the FY2011 approved budget of \$24,714,918. The FY2012 budget includes authority for 265 FTEs. Our total FTE count is a decrease of 6 FTEs from the FY2011 budget authority of 271 FTEs;

The FY2012 budget includes \$9,466,000 and 95 FTEs funded with local funds and \$15,990,000 and 170 FTEs funded with special purpose revenue. Because the agency's capital budget will be eliminated in FY2012, our budget reflects the transfer of \$828,500 and 8 FTEs from the agency's capital budget to local funds. The capital budget had funded two projects: information technology and abatement of vacant and nuisance properties.

The proposed FY2012 budget reflects our operational efficiencies and realignments, as well as our ongoing efforts to structure the agency for optimal efficiency, productivity, and value to our customers.

F. Conclusion

We believe the Mayor's proposed FY2012 budget supports our efforts to focus on our core missions. We continuously seek the input of our customers so we can serve them better. And, as our economic outlook improves over the coming months, we will be well-positioned to assist our customers by making their interactions with DCRA easy and fast.

Chairperson Alexander, thank you for providing us this opportunity to report on DCRA's proposed FY2012 budget. My staff and I are prepared to answer any questions you may have at this time.